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Controversial OEO Chief Arnett Fired



ALVIN J. ARNETT
... tried to save programs

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President Nixon yesterday fired Alvin J. Arnett, the Office of Economic Opportunity director accused of lobbying against Mr. Nixon's plans to kill the antipoverty agency.

Arnett was summoned to the White House late yesterday afternoon by Dean Burch, the President's political adviser, and asked to submit his resignation by 10 o'clock this morning, to be effective as of July 31.

Burch told Arnett he will be replaced by Bert Gallegos, OEO general counsel, as acting director. Gallegos served as acting deputy director in 1973 under Howard J. Phillips, Ar-

nett's controversial predecessor whose aggressive dismantling of OEO without congressional sanction was voided by a federal judge, who also threw Phillips out. A new deputy acting director also is to be appointed.

"I was not following the President's program," Arnett last night said Burch told him. "He just laid it out. The pressures on them were just absolutely inordinate to move me on. I have not been on the reservation. I've been out there trying to save something they just do not want to save."

Arnett said he agreed to submit his resignation after being assured by Burch that one of the antipoverty actions

for which he had been fighting — creation of a new Legal Services Corporation — will be signed into law by the President. A proposal to achieve a final compromise on the bill comes before the Senate today.

Burch declined to give Arnett any assurance, however, that Arnett's major focus, a bill transferring OEO's community action and few other remaining programs to the Department of Health, Education and Welfare, would be signed. The White House already has indicated Mr. Nixon plans to veto the bill. OEO was to be closed by June 30 for lack of

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funds, but has been extended for 90 days by Congress in the effort to salvage the remaining functions.

Arnett informed Burch that he would submit the letter of resignation on the understanding that it would include Arnett's strongest argument for enactment of the HEW transfer bill. He was in his OEO office late last night working on the letter.

The HEW transfer bill crystallized Arnett's troubles last May 29 when the House resoundingly voted for it, 331 to 53—a margin considered large enough to make it veto-proof over the President's threat to reject it.

Critics immediately charged that Arnett had been going

around the country rallying governors, mayors and local antipoverty officials to pressure Congress to keep federally supported community action programs alive through the transfer to HEW.

Burch acted, OEO sources said last night, after reviewing a memorandum critical of him submitted by four Office of Economic Opportunity subordinates, all political appointees and self-styled conservatives. Among them was William Buchanan, an Arnett assistant and brother of presidential assistant Patrick J. Buchanan.

Burch's recommendation went to the President despite a fierce holding action by Arnett himself and numerous supporters in Congress and governors, who argued that

OEO was serving them well in the states.

Buchanan and his three OEO colleagues, George Bullcock, Morgan J. Doughton and Robert Jungmann, charged in their memo that Arnett "has not only lost control of OEO to the old-line bureaucracy, but has done so deliberately, as a matter of conviction and policy in which he sides with the Union-led move for its continuance, and more seriously, has lost his party compass."

They charged Arnett with "extensive travel to line up support for OEO continuance coupled with use of money to reward its supporters," many of whom were Democrats, including Mayor Richard J. Daley of Chicago.

"We are not suggesting that the agency should be a Repub-

lican fiefdom, an impossibility in an agency of this nature," the four political appointees, holdovers from earlier OEO directors, wrote. "What we are suggesting is that as part of the Executive Office of the President, there could be far better responsiveness to the administration and the party it represents."

The memo urged that someone inside OEO with clear Republican loyalties and a cool style as contrasted to the "glandular activism" of Phillips, be appointed. Phillips resigned after much criticism that he wielded an ideological meat-ax in hastening to close down OEO.

"We are united in the feeling that no rhetorical points, as during the Phillips days, should scored," the anti-Arnett forces wrote. "Quiet Republican management can and should be imposed here. No policy statements and verbal vendettas should take place; servicing of White House wishes and Republican congressional desires will and should be handled expeditiously."

In a meeting with Burch on June 21, Arnett is said to have offered his resignation but was told then the administration did not want the public relations risk of another "Saturday night massacre"—the name given to the Richardson-Ruckelshaus-Cox departure.

Last night, as word of Arnett's imminent departure reached Capitol Hill, reaction came from Sen. Jacob K. Javits (R-N.Y.), ranking minority member of the Senate Labor and Public Welfare Committee.

"Arnett is a good man doing a good job," he said. "It looks like the long knives are out and it's another disturbing instance of a tendency on the part of the administration to conduct impeachment politics."

Gallegos is regarded as just such an administrator. Under Arnett, Phillips and earlier OEO directors, he has served from time to time as acting director in their absence.

Burch reportedly had been urged by Republican congressional leaders to move cautiously in dealing with Arnett, lest there be another political outcry similar to what occurred last Oct. 20, when then Attorney General Elliot L. Richardson and his deputy, William D. Ruckelshaus, resigned over the firing of Watergate Special Prosecutor Archibald Cox.